



CMHDA State Budget 2012-13 Fact Sheet: Mental Health Services Act

AB 1467, the omnibus health trailer bill for the 2012-13 state budget, contains numerous changes to state law to implement the legislature's budget plan, including a number of amendments to the Mental Health Services Act (MHSA). AB 1467 was chaptered into state law on June 27, 2012 and is effective immediately. This fact sheet presents an overview of the provisions included in AB 1467 that amend the MHSA.

Human Resources, Education and Training Program

AB 1467 replaces the "department" with the Office of Statewide Health Planning and Development (OSHPD) to effectively task OSHPD with many of the education and training activities formerly coordinated by the Department of Mental Health (DMH). Additionally, the bill includes language to establish a deadline for the next five-year plan – now due by April 1, 2014. Lastly, AB 1467 includes a new required element to be included in the five-year plan related to the promotion of meaningful inclusion of diverse, racial, and ethnic community members who are underrepresented in the mental health provider network. (See Welfare & Institutions Code Section 5820)

Innovative Programs

AB 1467 amends the Act to include language from the Innovations Guidelines issued by DMH in 2009 (Information Notice 09-02). The new language effectively requires county plans to meet certain requirements, including choosing a primary purpose from four options provided, and choosing an approach from three options provided. The language also requires that innovative projects proven to be "successful" transition to another category of funding. Additionally, the bill retains the provision that county innovation plans be approved by the Mental Health Services Oversight and Accountability Commission (MHSOAC). In order to better align with the new monthly distribution process, AB 1467 amends the language to direct counties to expend funds, rather than receive funds, for innovation programs upon approval by the MHSOAC. (See W&I Section 5830)

Prevention and Early Intervention

AB 1467 includes the addition of a new subdivision to this section to clarify and broaden the parameters for the expenditure of prevention and early intervention funds. Specifically, the new language declares that prevention and early intervention funds may be used to broaden the provision of community-based mental health services by adding prevention and early intervention services or activities to these services. The bill also further emphasizes the role of MHSOAC guidelines in the state's continued implementation of this Part. (See W&I Section 5840)

Oversight and Accountability

AB 1467 expands the role of the MHSOAC to include new activities and assigned tasks in the areas of technical assistance and evaluation. Specifically, language is added to direct the MHSOAC to assist in providing technical assistance to accomplish the purposes of the Mental Health Services Act in collaboration with the State Department of Health Care Services (DHCS) and in consultation with CMHDA. Similarly, language is added to require the MHSOAC to work in collaboration with DHCS and the Planning Council, in consultation with CMHDA, to design a comprehensive joint plan for a coordinated evaluation of client outcomes in the community-based mental health system. The California Health and Human Services Agency is to lead this planning effort. (See W&I Sections 5845 and 5846)

Integrated Plans for Prevention, Innovation, and System of Care Services

AB 1467 makes a number of important clarifications regarding the approval, submission, and required elements of the three-year program and expenditure plan and annual updates. First, the bill clarifies that three-year plans and annual updates are to be adopted by the county board of supervisors and submitted to the MHSOAC within 30 days

after board adoption. Second, the bill requires that the plans and updates include the following additional elements: 1) certification by the county mental health director to ensure county compliance with pertinent regulations, laws and statutes of the Act, including stakeholder engagement and non-supplantation requirements, and 2) certification by the county mental health director and the county auditor-controller that the county has complied with any fiscal accountability requirements, and that all expenditures are consistent with the Act. Additionally, AB 1467 deletes the process by which counties are informed of the amount of funds available for services, and instead adds new language instructing DHCS to annually inform CMHDA and the MHSOAC of the methodology used for revenue allocation to the counties. The bill also deletes the provision that the department shall establish the requirements for the content of the plans and charges DHCS and the MHSOAC, in collaboration with CMHDA, to jointly establish performance outcomes for services.

Lastly, AB 1467 also includes some additional language to augment the stakeholder engagement provisions. Specifically, the budget bill amends the stakeholder engagement requirements and adds new language to require counties to “demonstrate a partnership with constituents and stakeholders throughout the process that includes meaningful stakeholder involvement on mental health policy, program planning, and implementation, monitoring, quality improvement, evaluation, and budget allocations.” Providers of alcohol and drug services and health care organizations are also added to the list of stakeholders to be engaged in the development of the three-year plan and update. (See W&I Sections 5847 and 5848)

Fund Distributions

While the changes AB 1467 makes to MHSa fund distribution sections are primarily technical, there are a couple of key changes to consider. Foremost, AB 1467 adds language to declare that the monthly distributions to counties are to be made pursuant to a methodology provided by DHCS. The bill also amends the provision that formerly required distributions to be based on the amount specified in the county plan, to instead require that counties base their expenditures on the plan and update. The bill also amends the provision around prevention and early intervention expenditures to delete the state’s role in increasing the allocation of funds for this purpose. (See W&I Sections 5891 and 5892)

Development and Adoption of Regulations

AB 1467 amends the “state’s” responsibility to direct DHCS, in consultation with the MHSOAC, to develop regulations as necessary for DHCS, the MHSOAC or other designated state and local agencies to implement the Act. (See W&I Section 5898)

Annual Revenue and Expenditure Report

AB 1467 adds Welfare and Institutions Section 5899, which codifies in statute the requirement that counties submit an annual MHSa revenue and expenditure report. According to the new section, DHCS is required to develop instructions for the report that counties should submit electronically to both DHCS and the MHSOAC. The new section also includes a description of the report’s purpose and the intended areas for evaluation. While this report is a current requirement per the MHSa regulations (W&I Section 3510), this was not a requirement of the original MHSa. (See W&I Section 5899)